



**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation

Assistant Secretary

1200 New Jersey Ave., S.E.  
Washington, DC 20590

**April 22, 2009**

DEPT OF TRANSPORTATION  
DOCKETS

2009 MAY -1 P 2:21

The Honorable Sheila Jackson Lee  
US House of Representatives  
Washington, DC 20515

Dear Congresswoman Lee:

Thank you for your letter of March 13, 2009, supporting and urging prompt action on a request by Continental Airlines and United Air Lines for a grant of antitrust immunity to operate an alliance. The Secretary has requested that I respond to your letter directly.

The U.S. Department of Transportation's review of this request is part of a public proceeding in which interested parties have the opportunity to comment. The Department carefully considers all requests for antitrust immunity, beginning with a review of the record to assess whether there is sufficient information to make a reasoned decision that satisfies all statutory requirements. Decisions regarding requests for antitrust immunity are made after consultation with the Department of Justice, and are based upon statutory standards that include antitrust principles.

As you may be aware, we recently issued an order proposing to grant the antitrust immunity requested. We will evaluate any new comments submitted in response to our proposal and then proceed to issue a final decision as soon as possible. As this proceeding is still pending, I am sure you understand that I cannot comment further. I assure you, however, that the Department will give full and fair consideration to the application, as well as all comments in the docket.

As is our normal practice, I am placing a copy of your letter and this response in Docket OST-2008-0234 as a contact outside the record in this matter. I appreciate your interest in this proceeding.

Sincerely yours,

Christa Fornarotto  
Acting Assistant Secretary  
for Aviation and International Affairs

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**Washington, DC 20515**

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March 13, 2009

Secretary Ray LaHood  
U.S. Department of Transportation  
Federal Transit Administration  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Dear Secretary LaHood,

Thank you for so much coming to visit the 18<sup>th</sup> Congressional District of Houston, Texas. My constituents have been looking forward to meeting with you and sharing their transportation and infrastructure concerns, as well as their excitement at being able to access much needed economic stimulus dollars.

As the Chairwoman of the Subcommittee on Transportation Security and Infrastructure Protection, I am privy to the many issues facing our airlines. In the Spring of 2008, United Airlines urged Continental to merge with them. Many officials' at all three hubs urged Continental Airlines Chief Executive Officer, Larry Kellner not to merge with United Airlines due to the potential problems that arise for employees during mergers. At that time Mr. Kellner and Continental's management turned down the proposed merger.

A short time later, United Airlines returned and asked Continental Airlines to join the STAR Alliance. Continental Airlines agreed and submitted its application to the Department of Transportation (DOT) in July 2008. The DOT appeared last year to be reaching a positive decision on the Star Alliance.

However, after the Bush Administration approved the Northwest-Delta merger; Delta filed an objection asking the DOT to delay the decision on the United Airlines and Continental Airlines alliance. The Bush administration did not issue a "show cause order" for the proposed alliance although the DOT declared the record is complete.

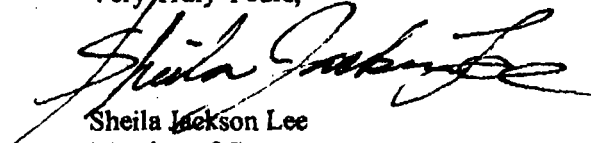
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Continental Airlines is in a very precarious situation due to the current economic climate. If the economy does not rebound soon, United Airlines might force Continental Airlines to merge.

Neither Continental Airlines nor their employees want to see a merger at this time. They do want to ensure that the alliance is finalized due to its promise of increased profitability. Mr. Secretary, I respectfully request that you issue a "show cause order" by March 31, 2008 to Continental Airlines. This would allow them to save jobs and not be forced into an unwanted merger.

I look forward to working with you directly to provide a timely and fair decision to Continental Airlines request. Thank you, again for your assistance with this very important matter and for coming to my fine city. If you or your staff have any questions or concerns please contact me at 202.225.3816.

Very Truly Yours,



Sheila Jackson Lee  
Member of Congress

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